

# Are We Serious about Doing Business Internationally?



By Sam Bahour

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alestine's businesses are at a tremendous disadvantage when it comes to doing business globally. It goes without saying that the Israeli military occupation and all the instability and negative public relations that come with it are at the forefront of our troubles. However, too many business owners are adding to their firm's economic misery by not doing what they can to operate their businesses in a fashion that could advance their standing, not to mention generate more jobs.

Having been active in the business community in Palestine since 1994 and experiencing many types of businesses in varying capacities, from the largest private-sector employer to family-driven micro-businesses, I have much to say about Palestinian business practices. In this article, however, I choose to focus on one segment only: the export market, more precisely, exports from Palestine to America.

Why this particular angle? Because I co-founded, along with my American colleague, Dr. Edward Thompson, the US nonprofit organization Americans for a Vibrant Palestinian Economy (AVPE) to build bridges between Palestinian and American businesspeople on the simple premise that engagement between American and Palestinian businesspeople breeds hope (as in jobs) for a better future for Palestinians and creates more informed and constructive American perceptions and opinions about Palestine.

We are a small, independent organization that works on a shoestring budget. The efforts that Edward and I expend are totally on a volunteer basis, as are those of the rest of our board. In five years of operation, not to mention my own prior two decades of engagement in the Palestinian market, our efforts have been multi-

sectoral, cross-geographical, and rather revealing. The day will come when we document our findings comprehensively. For now, I want to share the feedback of a live buyer in the United States, an American woman engaged in Palestinian solidarity, and someone kind enough to send detailed feedback of her experience in working with Palestinian firms. Since her feedback reflects much of what we have noted, I use it to make the point that Palestinian firms can — no, we must — do better, acknowledging that making a blanket statement would be incorrect. There are several firms we have come across in Hebron, Beit Jala, Ramallah, and elsewhere which are well managed; they are the minority.

## A case in point

Katie Miranda is an American entrepreneur, cartoonist, and activist on Palestine-Israel. She owns and operates an e-commerce site called [www.katiemiranda.com](http://www.katiemiranda.com) where she sells her art and jewelry, and she has a nonprofit, [www.palbox.org](http://www.palbox.org), where she partners with Palestinian businesses to sell their products to international customers. She worked with AVPE to identify products to sell on [www.palbox.org](http://www.palbox.org).

Her constructive feedback (see text box), while not exhaustive, provides basic guidelines for success in doing business internationally. Firms that ignore these fundamentals risk damaging their business, be their market New York or the Palestinian city next door.

Key points from Katie:

- **Be prompt:** respond to business inquiries within 24–48 hours on business days
- **Be attentive:** don't ignore customer emails
- **Communicate:** set clear expectations regarding product-delivery dates, and promptly communicate with your customer if a delay is foreseen
- **Utilize information:** provide tracking information for every shipment
- **Respect privacy:** don't ask for credit card information through email (use secure messaging or call the customer instead)
- **Build customer relationships:** aim to maintain relationships with customers over time; initiating a customer relationship is hard, but once it's created and maintained, it will be much easier to make repeat sales
- **Respect deadlines:** missing deadlines causes the customer's business to fall into chaos, thus jeopardizing their future orders from your firm
- **Use technology:** make sure that website and social media platforms are functional and updated, particularly the contact information section; have an interesting Our Story or About Us section on the website where customers can learn about how the business got started. A good example is the website of the fair-trade company Women in Hebron (<https://www.womeninhebron.com/>).

Katie's points pare only a few of the business ABCs we chose to highlight. There are many more serious ones, for example, wanting to export but not having an export manager, not having anyone in the firm who speaks English, running a trade association that, instead of facilitating business, takes months on end to reply to a simple request, etc.

I'm not giving up, not by any stretch of the imagination, but I will not turn a blind eye to poor business practices by our firms. If we were in a normal market in a sovereign state, I would not worry about firms failing; competition is part of market dynamics. However, we are not in a normal market and have yet to realize our sovereign state, thus it's important that every firm be as successful as possible under the cruel conditions in which we find ourselves. The Palestinian government and trade associations must recognize this reality as well and do their utmost to streamline business activities rather than add more bureaucracy to an already complicated market.

Even under military occupation, without a private sector able to generate sustainable job opportunities for our youth, we would be serving the Israeli strategy of pushing our community onto one of three paths: violence, emigration, or turning into a cheap-labor-pool community (more than is already the case today) to serve the Israeli market, including illegal settlements. Palestine's private sector has a national responsibility to craft a fourth path for our youth — dignified and sustainable employment. For these jobs to be sustainable we have no choice but to expand our closed and damaged market by entering the realm of international business. This international business world has rules, norms, and expectations. It is our duty to know them and manage accordingly.

All this has very little to do with economic growth, per se, and everything to do with economic survival. Every job created in Palestine today is the ultimate act of nonviolent resistance against military occupation, keeping a Palestinian in Palestine, on the land.

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## GAZA POWER DEFICIT

Gaza has been suffering for over a decade from an electricity deficit driven by a range of factors occurring amid rapid population growth. The functioning of Gaza's sole power plant has been impaired by disputes between Palestinian authorities in Gaza and Ramallah over the funding and taxation of fuel, as well as over the collection of payments from electricity consumers; the destruction of fuel storage tanks by an Israeli air strike in July 2014; and the restrictions on the import of spare parts, equipment, and fuel in the context of Israel's blockade. This has been exacerbated by the poor state of the distribution network, which results in significant electricity losses. The resulting shortages in electricity have disrupted the delivery of basic services and undermined already vulnerable livelihoods and living conditions.

